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By: **Senators Ruben, Hogan, Kramer, Garagiola, and Teitelbaum**  
Introduced and read first time: February 6, 2004  
Assigned to: Budget and Taxation

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A BILL ENTITLED

1 AN ACT concerning

2 **Tax Credits for Businesses That Create New Jobs - Clarification**

3 FOR the purpose of clarifying the assessable base used to compute certain tax credits;  
4 providing for the application of this Act; and generally relating to the  
5 clarification of the assessable base for purposes of computing tax credits for  
6 businesses that create new jobs.

7 BY repealing and reenacting, with amendments,  
8 Article - Tax - Property  
9 Section 9-230(c)  
10 Annotated Code of Maryland  
11 (2001 Replacement Volume and 2003 Supplement)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
13 MARYLAND, That the Laws of Maryland read as follows:

14 **Article - Tax - Property**

15 9-230.

16 (c) (1) To qualify for a property tax credit under this subsection, a business  
17 entity shall:

18 (i) obtain at least 5,000 square feet of new or expanded premises  
19 by purchasing newly constructed premises, constructing new premises, causing new  
20 premises to be constructed, or leasing newly constructed premises; and

21 (ii) 1. except as provided in item 2 of this subparagraph, employ  
22 at least 25 individuals in new permanent full-time positions during a 24-month  
23 period, during which period the business entity must also obtain and occupy the new  
24 or expanded premises; or

25 2. in a county with a population under 30,000, employ at  
26 least 10 individuals in new permanent full-time positions during a 24-month period,  
27 during which period the business entity must also obtain and occupy the new or  
28 expanded premises.

1           (2)     If a business entity meets the requirements of paragraph (1) of this  
2 subsection and subsection (b) of this section and of applicable local law adopted under  
3 subsection (b)(1) of this section, the county or municipal corporation shall compute  
4 the amount of the property tax credit granted under this subsection for new or  
5 expanded premises and the personal property located on those premises that may be  
6 claimed against the county or municipal corporation property taxes that would  
7 otherwise be due to equal a percentage of the amount of property tax imposed on the  
8 INCREASE IN assessment of the new or expanded premises, as follows:

- 9                   (i)       52% for the 1st and 2nd taxable years;  
10                   (ii)      39% in the 3rd and 4th taxable years;  
11                   (iii)     26% in the 5th and 6th taxable years; and  
12                   (iv)      0% for each taxable year thereafter.

13           (3)     On receipt of notification under subsection (b)(7) of this section that a  
14 business entity has been certified for a property tax credit under this subsection, the  
15 Department shall compute and certify to the Comptroller or, in the case of the  
16 insurance premiums tax, the Maryland Insurance Commissioner the amount of the  
17 State tax credit authorized under this subsection that may be claimed against the  
18 individual or corporate income tax, insurance premiums tax, or financial institution  
19 franchise tax that would otherwise be due to equal a percentage of the amount of  
20 property tax imposed on the INCREASE IN assessment of the new or expanded  
21 premises, as follows:

- 22                   (i)       28% in the 1st and 2nd taxable years;  
23                   (ii)      21% in the 3rd and 4th taxable years;  
24                   (iii)     14% in the 5th and 6th taxable years; and  
25                   (iv)      0% for each taxable year thereafter.

26     SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be  
27 construed to apply retroactively and shall be applied to and interpreted to affect all  
28 taxable years beginning after December 31, 1998.

29     SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
30 July 1, 2004.